October 2008 for clearing the outstanding dues of airlines with the oil companies. The arrangements for providing Airlines some times to pay their dues was upto 31st March 2009. As such, OMCs were allowed to get into individual commercial agreement with the airlines after 31st March 2009. The matter of dues were taken up by the Ministry of Civil Aviation with the airlines and they were advised to have discussion/negotiation with OMCs and resolve outstanding issues to the satisfaction of both the parties. They were also advised to clear their outstanding dues promptly.

Financial Package for Air India

295. SHRI T.T.V. DHINAKARAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India has sought financial package and soft loan from Government;

(b) if so, the details thereof; and

(c) the decision taken regarding bail out package to Air India?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Air India had sent a proposal in October, 2008 for an Equity capital of Rs.1231 crores and provision of soft loan of Rs.2750 crores.

(c) National Aviation Company of India Limited has been advised to formulate a concrete proposal for equity induction and provision of loans, before the Government can take a final decision.

Stake in domestic carriers by foreign airlines

296. SHRI M.V. MYSURA REDDY:
SHRI NANDAMURI HARIKRISHNA:
Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that his Ministry has requested Government of India for allowing foreign airlines to acquire 49 per cent stake in domestic carriers;

(b) if so, the details of the proposal;

(c) whether it is also a fact that Air India has asked for infusion of funds to the tune of Rs. 14,000 crores for its bailout or allowing Foreign Direct Investment (FDI) in Air India; and

(d) if so, why the Ministry hanging on both the options?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No. However, the proposal to allow foreign airlines to invest in domestic airline is under examination.

(c) and (d) National Aviation Company of India Ltd. has been advised to formulate a concrete proposal for induction of equity and loans.